

**PBI-1**

**Performance Based Incentive (PBI) Title: Improve Performance of Tank Farms Personnel, Equipment, and Procedures (infrastructure) for the Long Term ORP Mission.**

**Performance Fee available and assigned to this PBI: \$8,900,000**

<b>ORP Assistant Manager:</b>	<b>ORP POC:</b>	<b>CH2M Manager:</b>	<b>CH2M POC:</b>
T. Smith	D. Noyes		

**Desired Endpoint/Outcome**

The contractor is managerially and operationally in control of the Tank Farms and is meeting the mission performance expectations of the Department as stipulated within the contract. Operations are completed with increasing efficiency and effectiveness allowing more resources to be applied to mission critical work. The short and long term strategic planning and support activities are completed in a manner that incrementally improves mission performance.

**Fee Payment Schedule**

Upon completion of each fee bearing milestone set forth herein, Contractor will be paid incremental fee, in accordance with Contract Clause H.2, "Provisional and Incremental Payments of Fee."

The fee bearing milestones shall be completed by the delivery schedule date. If the delivery schedule date is not achieved the unearned fee will be reduced to the following amounts: 90% for first quarter, 80% for second quarter, 50% for third quarter, and entire amount for one year.

**Fee Bearing Milestones**

1. Vadose Zone and Surface Geophysical Exploration. Performance fee \$2,500,000.
  - a. Complete the near-surface vadose zone characterization utilizing the hydraulic hammer direct push technology for 35 direct push samples by September 30, 2007. The Contractor shall earn \$300,000 in incremental fee.
  - b. Complete the near-surface vadose zone characterization utilizing the hydraulic hammer direct push technology for 35 direct push samples by September 30, 2008. The Contractor shall earn \$300,000 in incremental fee.
  - c. Deploy Surface Geophysical Exploration in two of the following 4 tank farms TX, TY, U, and B (B Farm includes B, BX, and BY) by September 30, 2007. The Contractor shall earn \$375,000 in incremental fee.
  - d. Deploy Surface Geophysical Exploration in the remaining two tank farms not completed in 1.c above by September 30, 2008. The Contractor shall earn \$375,000 in incremental fee.
  - e. Construct surface barrier over T-106 tank and associate affected area or other area with ORP concurrence by September 30, 2007. The Contractor shall earn \$375,000 in incremental fee.
  - f. Construct one borehole, perform sampling and borehole decommission or 25 direct push samples by September 30, 2008. The Contractor shall earn \$375,000 in incremental fee.
  - g. Complete the Phase I RCRA Field Investigation (RFI) Report. The fee is forfeited if the work is not completed on or before the HFFACO milestone due date of January 31, 2008. The contractor shall earn \$200,000 in incremental fee.



**PBI-1**  
**Signature Block**

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Mark S. Spears, President  
And Chief executive Officer  
CH2M HILL Hanford Group, Inc.

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Date

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Roy J. Schepens, Manager  
U.S. Department of Energy, Office of River Protection

\_\_\_\_\_  
Date